

**Joint Legislative Study
Committee on State
Employee Compensation**

Annual Report 2000

[November 15, 2000]

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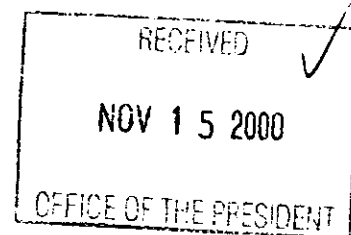
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JOINT LEGISLATIVE STUDY COMMITTEE

ON

STATE EMPLOYEE COMPENSATION

**ANNUAL REPORT
2000**



COMMITTEE MEMBERS

Senator Edward J. Cirillo, Co-chair
Senator Russell Bowers
Senator Victor Soltero
The Honorable Betsey Bayless
William Bell
Leigh Cheatham
Alan Maguire
Susan Malaga
Carl Williams

Representative Debra Brimhall, Co-chair
Representative Jean McGrath
Representative Sally Ann Gonzales
Shawn Nau
Kathy Peckardt
Linda Strock
Pam Tenney
Sandra Williams
William J. Adams

Joint Legislative Study Committee on State Employee Compensation 2000 Report

Purpose of the Committee

- Study the various state personnel systems, state employee compensation and related issues, including salary, benefits, employee turnover, and comparisons to other comparable public and private employers
- Review all payroll deductions made from state employee salaries pursuant to A.R.S. 36-612
- Consider issues concerning state employee medical and dental insurance coverage, including issues relating to the size of the risk pool and the type of coverage provided to state employees

Report Requirements

The committee must submit, on or before December 1 of each year, written recommendations on a long-term strategy for addressing state employee compensation to the Governor, Secretary of State, the President of the Senate, the Speaker of the House of Representatives, and the Director of Arizona State Library, Archives and Public Records.

Recommendations are based upon the reporting requirements of the Arizona Department of Administration, the Arizona Board of Regents, the Arizona Department of Public Safety, the Judicial Branch and the Arizona State Schools for the Deaf and Blind contained within ARS §41-763.01.

In addition, the committee recognizes the Legislature's intent, as expressed in Laws 1998, Chapter 292, Section 17 that competitive state employee compensation (within five percent of market compensation) be established by the end of FY 2003 and reflects that intent in its annual recommendations.

Previous Committee Action

See the 1997, 1998 and 1999 Reports of the Joint Legislative Study Committee on State Employee Compensation on file with the Office of the Secretary of the Senate and the Office of the Chief Clerk of the House of Representatives.

Termination Date

December 31, 2003

Statutory/Session Law Citations:

Laws 1997, 1st Special Session, Chapter 3, Sec. 10; Laws 1998, Chapter 292; Laws 1999, Chapters 139 and 262

Joint Legislative Study Committee on State Employee Compensation 2000 Report

Committee Membership:

- Three members of the House of Representatives, not more than two from the same political party and one designated as Co-Chair, appointed by the Speaker of the House of Representatives
- Three members of the Senate, not more than two from the same political party and one designated as Co-Chair, appointed by the President of the Senate
- One member who is an employee of the state and a member of an employee association, appointed by the Governor
- Two members who are experts on employee compensation, appointed by the Governor
- Three members who are state agency directors, deputy directors or assistant directors, appointed by the Governor
- One member from the university personnel system, appointed by the Executive Director of the Board of Regents
- One member who is an expert on employee compensation, appointed by the Speaker of the House of Representatives
- One member who is an employee of the state and who has at least ten years of state service, appointed by the President of the Senate
- Two members who are employees of the state and have at least ten years of state service, appointed by the Governor
- One member who is an employee of this state and who has at least ten years of state service, appointed by the Speaker of the House of Representatives

2000 Committee Activities

Representative Debra Brimhall was appointed to replace Representative Richard Kyle as co-chair of the committee.

The Joint Legislative Study Committee on State Employee Compensation met twice during the 2000 calendar year: August 3, 2000 and October 17, 2000. All meeting notices, minutes and attachments are on file with the Office of the Secretary of the Senate and the Office of the Chief Clerk of the House of Representatives.

At the August 3, 2000 meeting, the motion to reaffirm the recommendation of S.B. 1354 (Laws 1998, Chapter 229) to have a solid, detailed recommendation for the October [committee] meeting and to have the co-chairs exert every effort for the implementation of that recommendation was unanimously carried by voice vote.

During the October 17, 2000 meeting, the five personnel systems presented the committee with requests specifying the employee compensation funding increases necessary to fulfill the legislative intent to compensate state employees

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within five percent of market by the end of FY 2003. The committee adopted the motion to accept the recommendations of the four personnel systems that had presented their recommendations (Department of Administration, the Judicial Branch, Department of Public Safety and the Universities), with modifications to bring all systems to within five percent of market, to accept the preliminary numbers recommended by the Arizona State Schools for the Deaf and Blind, to put together a total recommendation package and to present the packet to the Legislature. In addition, the committee moved to have a draft copy of the total recommendation package distributed to the committee.

This Joint Legislative Study Committee on State Employee Compensation 2000 Report, with the attached funding request table, serves as the total recommendation package for state employee compensation.

Attachments

- Summary of Funding Requests Submitted in 2000 for FY 2002 and FY 2003 (Table)

Joint Legislative Study Committee on State Employee Compensation

Summary of Funding Requests Submitted in 2000 for FY 2002 and FY 2003

AGENCY	DESCRIPTION	FY 2002	FY 2003	TOTAL	TURNOVER RATE/ REASON	MARKET COMPARISON/ ERE
GRAND TOTALS		\$188,811,514	\$191,076,378	\$379,887,892		
Judiciary		\$10,534,100	\$174,100	\$10,708,200	20%/ Better Pay	Within 5% of Market/ ERE Included
	Appellate Court	\$4,706,000	\$174,100	\$4,880,100 (\$3,100,100 GF) (\$1,780,000 OF)		
	Probation Staff	\$5,828,100	-----	\$5,828,100		
Universities		\$56,106,600	\$57,208,300	\$113,314,900	Varies by job category /University	Within 5% of Market ERE Included
	Funding Request	\$46,106,600	\$47,208,300	\$93,314,900		
	SMA's	\$10,000,000	\$10,000,000	\$20,000,000		
DPS	Funding Request	\$4,894,900	\$5,251,300	\$10,146,200	7.3%	Within 5% of Market/ ERE Included
ASDB		\$952,558	\$847,588	\$1,800,146	27%/ Better Jobs	Within 5% of Market/ ERE Included
	DOA Equity Study Increase	\$730,856	\$759,986	\$1,490,842		
	CSA	\$84,782	\$87,602	\$172,384		
	Other	\$136,920	-----	\$136,920		
ADOA		\$116,323,356	\$127,595,090	\$243,918,446	17.1% Lack of competitive pay/retention	Within 5% of Market/ ERE Included
	Salary Range Adjustment	\$81,426,349	\$63,797,545	\$145,223,894		
	Merit	\$34,897,007	\$63,797,545	\$98,694,552		